



COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR



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June 24, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO AWARD CONTRACT FOR
BUSINESS LICENSE FIELD INSPECTION SERVICES
(ALL DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Make a finding that business license field inspection services can be performed more economically by an independent contractor than by County employees.
2. Approve and instruct the Chairman to sign an agreement (Attachment I) with Nunez & Associates, Inc. for a term of one (1) year at an annual maximum cost of \$100,000, for the provision of business license field inspection services, at the rate of \$25.80 per inspection, for the Treasurer and Tax Collector's Revenue Enforcement Division.
3. Authorize the Treasurer and Tax Collector to execute four (4) one-year renewal options and six (6) month-to-month extensions, at the option of the Treasurer and Tax Collector.
4. Authorize the Treasurer and Tax Collector to execute amendments to increase the contract sum by no more than 15% annually based on increased workload or special projects, if applicable.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Treasurer and Tax Collector (TTC) currently contracts with Nuñez & Associates, Inc., a private agency, to provide field inspection services to determine if businesses have current valid business licenses and are in operational compliance with Los Angeles County Code requirements. The proposed contract will replace the current contract, which will expire on August 2, 2004. Title 7, of the Los Angeles County Code, requires persons conducting, engaging in, and managing specified types of business activities in the unincorporated areas of Los Angeles County to obtain a business license and observe certain regulations pertaining to those business activities. Pursuant to the Code, the TTC is required to issue the licenses and enforce regulations pertaining to the business activities. TTC has contracted for the provision of business license field inspection services since 1989.

This recommendation is submitted based upon a finding that the provision of business license field inspection services can be performed more economically by an independent contractor. The recommended contract award is needed to continue the provision of business license field inspection services.

Implementation of Strategic Plan Goals

Approval of the recommended award is consistent with the County's Strategic Plan in the areas of fiscal responsibility and organizational effectiveness.

FISCAL IMPACT/FINANCING

The maximum contract amount for the first year is \$100,000, which represents an estimated cost savings of \$36,276 (26.62%) over the estimated County cost (including start-up costs) to perform similar services for the first year. These cost savings are calculated based on the Revised Proposition A Contract Cost Format developed by the County Auditor-Controller's guidelines (Attachment II). The proposed contract does not include any cost-of-living increases.

Funding has been included in 2004-2005 adopted budget. Funds required for subsequent fiscal years will be included in each year's budget request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under the provisions of Section 44.7 of the County Charter and Los Angeles County Code Section 2.121.250, proposals were solicited for the provision of business license field inspection services. The RFP included the Contract Solicitation Protest Policy adopted by the Board of Supervisors on March 30, 2004. All requirements of County Code Section 2.121.380 have been met. On final analysis and consideration of an

award, the contractor was selected without regard to gender, race, color, creed, or national origin.

This contract is in compliance with the mandatory living wage requirements as set forth in Los Angeles County Code Chapter 2.201 (Living Wage Program). The Department has evaluated and determined that the contractor is exempt from the Living Wage Program under the Small Business provision of the Living Wage Ordinance. In addition, the contractor agrees to notify and assist its employees with the Federal Earned Income Tax Credit application process and is required and has agreed to consider qualified GAIN/GROW participants for employment openings, and comply with the Jury Duty Ordinance, the Safely Surrender Baby Law and the County's Child Support Compliance Program.

The contract includes all currently required provisions and has been properly executed by the contractor. County Counsel has approved this contract as to form and content.

CONTRACTING PROCESS

On May 14, 2004 RFPs were mailed to one hundred and sixty-five (165) prospective proposers listed in Attachment III, which consisted of TTC's proposer's list, vendors from the County's Office of Affirmative Action Compliance Community Business Enterprise (CBE) Database, Los Angeles County's online website of vendors by commodity, and the State of California's, Department of General Services Directory. In addition, a notice of the RFP was posted on the Los Angeles County Bid Website. The proposer's CBE information is summarized on the attached document (Attachment IV). A Mandatory Proposer's Conference was held Friday, May 21, 2004 with eleven (11) firms attending. Contractors were informed of the County's Living Wage Program and Contractor Responsibility and Debarment provisions. The Proposal submission due date was extended from Friday, June 11, 2004 to June 14, 2004 due to the Board adopted National day of mourning.

TTC received four proposals from: CBIZ Accounting, Tax & Advisory of Orange County, Inc. (CBIZ), Millennium Financial Corporation (Millennium), Nuñez & Associates, Inc. (Nuñez), and Yoakum Investigations (Yoakum). Proposals were rated on the following criteria: 1) Proposer's Qualifications; 2) Proposer's Approach to Providing Required Services; 3) Quality Control Plan; and 4) Cost.

TTC has selected Nuñez, the highest rated, most responsive and responsible proposer, with the second lowest proposed cost for recommendation to the Board of Supervisors for the Contract award. The Nuñez proposal received the highest overall rating and was very strong in the following areas: demonstration of their knowledge, skills, and experience for providing the required services, provision of detailed descriptions of how they would perform business license field inspection services, demonstration of their

clear understanding of services requested, and provision of a comprehensive Quality Control Plan.

Additionally, TTC reviewed available resources to assess and evaluate the proposed contractor's past performance, history of labor law violations, and any negative experiences with County contracts. The State Labor Commissioner's Office reports finding no labor/wage violations for Nuñez. Nuñez is exempt from the LWP but does provide an hourly wage in excess of \$9.46 per hour. Nuñez also provides employees with ten (10) annual vacation days, seven (7) paid holidays on an annual basis, five (5) sick days per year, and a minimum of five (5) days of regular pay for actual jury service for full-time employees. The Proposition A Contracting – Employee Wages & Benefits form summarizing and comparing the Contractor's wages and benefits to those of the County is attached (Attachment V).

IMPACT ON CURRENT SERVICES

Approval of the recommended contract will ensure uninterrupted business license field inspection services.

CONCLUSION

Instruct the Executive Officer-Clerk of the Board of Supervisors to return two (2) signed originals of the contract and one (1) adopted stamped Board letter to TTC.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

MJS:evt

Attachments (5)

c: Executive Office, Board of Supervisors
Chief Administrative Office
County Counsel
Office of Affirmative Action Compliance